

responded to by the Examiner. On page 2, lines 10-13, of the Response filed on April 29, 2003, Applicants questioned the rejection of claim 26 under 35 U.S.C. §102, while the claim from which it depends, claim 23, is rejected under 35 U.S.C. §103. Correction of this error and consideration of all the previously filed arguments is requested.

**Request for an Interview**

Applicants once again request that the Examiner conduct an interview with the undersigned prior to issuing the next Office Action. As such, the Examiner is invited to contact the undersigned by telephone to arrange a suitable time for the interview.

**35 U.S.C. §102 and §103**

Claim 26 stands rejected under 35 U.S.C. §102 as being anticipated by Jones. Claims 23-37 stand rejected under 35 U.S.C. §103 as being unpatentable over Jones in view of Shiobara, in view of Benton, in view of Hopkins, and further in view of Carlisle. These rejections are traversed as follows.

The claims have been amended to clearly articulate the "first path" and the "second path" of the present invention,

as illustrated in attached Appendix A. The first path connects a first external device and a communication circuit without connecting to a data processor. The second path connects the data processor and the communication circuit without connecting to the first external device. As outlined in previously-filed responses, the present invention encompasses, at a minimum, the following novel features.

First, the terminal device of the present invention is different from an external device to which it is connected as well as an IC card to which it is connected. For instance, Figure 1 illustrates a terminal device 2, an external information processor 8 and an IC card 1. Another important feature of the present invention is that the terminal device includes a switching circuit for switching between a first path and a second path. As mentioned above, the first path is between the external information processor and a communication circuit of the terminal device. The second path is connected for outputting electronic money data from a data processor to the communication circuit. The first path is switched to the second path when electronic money data is to be transferred.

Jones et al disclose a value transfer system in which terminals 5 having card readers 9 are connected by telephone selectively to bank computers 1, 2 and 3. Terminals 5 may be

home computers while each of bank computers 1, 2 and 3 has a bulk purse 1c, 2c and 3c, as shown in Figure 1 and disclosed at column 5, lines 31-55. Therefore, terminal 5 corresponds to the first external device of the pending claims. However, every communication involving electronic money data is executed using terminal 5.

On the other hand, the pending claims clearly recite that the second path connects the data processor and the communication circuit for transferring electronic money data without connecting to the first external device. Therefore, the structure of Jones et al is clearly excluded by the currently pending claims. By providing first and second paths as in the present invention, the security of private information is improved and wire tapping and other problems such as failure of a personal computer, etc., are avoided.

Applicants assume that the current rejection under 35 U.S.C. §102 of claim 26 as being anticipated by Jones et al is in error. The Examiner is requested to confirm this matter in the next communication.

The Examiner's reliance upon Shiobara et al to cure the deficiencies of Jones et al is clearly misplaced and is based on an impermissible use of hindsight reconstruction in which Applicants claims are used as a template from which individual

elements are obtained in the prior art and combined. Indeed the Examiner cites as "motivation", the desire to "teach a new and improved electronic funds transfer system...". The desire to improve upon the prior art cannot be used as motivation independently of the references.

Furthermore, as clearly set forth in the previously-filed response, Shiobara et al do not disclose the first and second path switching recited in the currently pending claims. Shiobara et al do not disclose a first path connecting a first external device and the communication circuit without connecting to the data processor, in combination with a second path connecting the data processor and the communication circuit for transferring electronic money data without connecting to the first external device.

In addition to all of the previously-filed arguments in support of Applicants' position, Applicants feel it is necessary to submit the following arguments to further clarify the distinctions between the present invention and the Examiner's attempted combination of references. First of all, the terminal device of the present invention is a stand alone private terminal device (see page 1, lines 1-2 of the specification) that is used in transferring electronic money

data. No such terminal device has ever been known prior to the present invention.

Secondly, the terminal device of the present invention can be used with any conventional information processing apparatuses such as a point-of-sale (POS) terminal, an automatic vending machine, a personal computer, etc., thereby enhancing the functions of such conventional information processing apparatus simply by receiving an output signal, a command, and an instruction, etc., without changing the structures of such apparatuses.

Thirdly, the first path and the second path are separated as in a hardware device and the first path is switched to the second path at the time electronic money transaction takes place. Such a complete separation such that a first external device can never connect to the IC card as well as the data processing unit guarantees the safe transfer through the second path of electronic money data without being affected by the first external device.

The Examiner attempts to circumvent these arguments by augmenting his previous rejection based upon two additional prior art references to Hopkins and to Carlisle et al. However, these references fail to cure the deficiencies of the primary combination of Jones et al and Shiobara et al.

Hopkins discloses a remote financial transaction system for performing remote financial transactions over an interactive network using a user operated payment module initiated with password security (see Abstract, and column 6, lines 58-65). Thus, the teaching of Hopkins is merely that a payment module performs remote financial transactions. This payment module is user operated and initialized with password security. Hopkins has nothing to do with an IC card and information related to the financial transaction of Hopkins is stored in the payment module. On the other hand, the electronic money data of the present invention is stored in an IC card. Hopkins also fails to disclose or suggest anything having to do with the "second path" of the present invention in which the data processor which processes data in the IC card connects with a communication device without connecting to the first external device.

Hopkins is not concerned with the first external device of the present invention since the payment module receives input data directly from a user. As a result, Hopkins is silent on the concept of a first path connecting between the first external device and a communication circuit. As a result, Hopkins discloses nothing with respect to switching from a first path to a second path as in the pending claims.

Similarly, Carlisle et al also fail to overcome the deficiencies in the primary combination of Jones et al and Shiobara et al. Carlisle et al basically teach the controlling of switching (see Abstract, column 1, lines 65-67, and Figures 10-14). Carlisle et al disclose systems and methods in which a single set of consumer items may be purchased by debiting any of a plurality of accounts stored in a smart card. Such a smart card is used in combination with a POS terminal including a terminal processor, an item identification device, a terminal memory and a smart card reader. The smart card has the capability to selectively debit any of a plurality of accounts (see Abstract, column 1, lines 13-16 and 65-67). As such, Carlisle et al clearly fail to disclose the above-mentioned features of the present invention. Carlisle et al in particular fails to disclose any external terminal device, while Hopkins treats the payment module as the terminal device.

#### **CONCLUSION**

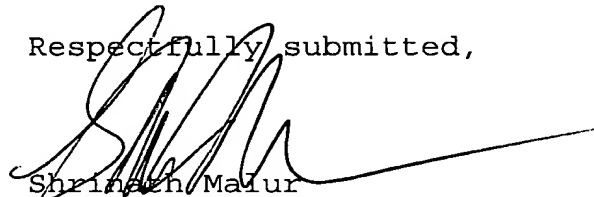
In view of the foregoing amendments and remarks, Applicants contend that the above-identified application is

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now in condition for allowance. Accordingly, reconsideration and reexamination are respectfully requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Shrinath Malur', is written over the typed name.

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